

## NOTES | April 18, 2012

### Mono Basin Core Working Group Meeting in Bishop

Prepared by Center for Collaborative Policy

*Core Group approved May 30, 2012.*

### Meeting in Brief

The Core Working Group (Core Group) reviewed a Progress Assessment document prepared by the Center for Collaborative Policy to discuss areas of disagreement, preliminary agreement, and items needing action or further discussion. LADWP reiterated its intention to respond directly to paragraph 1b.2a of Order 98-05 while maintaining dialogue with the Core Group to resolve issues it sees as beyond the scope of the Order. The Core Group analyzed the political and financial constraints to structural modification of Grant Lake reservoir and proposed ways to address or mitigate these constraints. The Core Group prepared for the upcoming Engineering Meeting, which will explore costs, construction, and functionality of the three structural options for a Grant Lake outlet.

### Action Items

Due		Action Items
4/19	Karimi	Distribute revised numbers for the three options (pipeline, weir, siphon)
4/20	Bartlett	Revised Engineering Meeting Agenda and distribute list of additional LADWP staff that will attend
4/23	Core members	Ask attorneys to contact LADWP Attorney with any legal remedy (besides 1707 instream flow dedication) to preserve Parker & Walker Creek water rights while curtailing diversion
4/24	Martin & Reis	Confirm figures for hydropower (Reis and Martin) for Core Group use in drafting proposals for revenue-neutral scenario.
4/27	Trush & Taylor	Review the Geosyntec study
4/27	Bartlett	Update the Progress Assessment document with group edits and circulate to Core Group members
5/2	Attorneys	Report back to Core Group any legal remedy to preserve Parker & Walker Creek water rights while curtailing diversion
5/2	Drew	Follow up with Bill Steele re: the required process for in-kind BOR match
5/2	Drew	Explore possibility of inter-regional funds from IRWMPs as a possible funding source
5/2	Drew	Find out more about Special Environmental Projects
5/2	Core members	Draft proposals for revenue-neutral scenario, using the same financial assumptions (to include year, terms, etc.)
5/2	LADWP	Explore existing mitigation project funding that might be able to be applied in the Mono Basin for funding
	Tanaka	Circulate new model to the Modeling Work Group
	Vorster	Propose final rule definitions for LADWP to review?

	Drew	Provide latest version of the Monitoring document to the Core Group
	Regelbrugge	Confirm SCE outcome
On hold	Modeling Work Group	<b>Lee Vining Flows:</b> Address with Modeling Work Group: potential to bring back to an 8-year flood event if Saddlebag releases 40cfs on Lee Vining (Synthesis Report, p. 78); modeling approaches for Parker/Water diversions (under the 98-05 rules)
On hold	Tillemans	Get data on 1995-2001 (when Grant did not go below spill for six consecutive years) to determine impact on dam and dam safety

## Progress Assessment

The group reviewed a confidential Progress Assessment document prepared by the Center for Collaborative Policy (*Mono Basin Feasibility Facilitated Process Progress Assessment*, Gina Bartlett, 4/11/12). This document assesses areas of preliminary agreement, disagreement, and mutual understanding on issues identified in LADWP's *Mono Basin Feasibility Report* (July 28, 2010) and may serve as the basis for the Progress Report due to the State Water Resources Control Board on June 1. Organized by topic similar to the "Bob Marley" chart, it addresses all issues except monitoring. The Core Group reviewed the document and agreed on revisions, which Gina will incorporate. At this time, the Core Group agreed to keep the Progress Assessment an internal document shared only with Core Group. Once approved, the Core Group will share with Core team members and respective staff.

## Current Status

LADWP reported that LADWP would respond directly to paragraph 1b.2a of Order 98-05 while remaining engaged in Core Group dialogue and efforts to resolve feasibility issues beyond the scope of Order 98-05. LADWP will determine whether and how to incorporate additional considerations from the Synthesis Report. A primary unresolved issue is whether Order 98-05 mandates that LADWP implement the flows recommended in the Synthesis Report, and if so, under what consideration. A related, secondary question is whether Order 98-05 mandates that LADWP modify Grant Lake reservoir in order to do so. Cost remains a key feasibility consideration to any proposed modification. From LADWP's perspective, it is being asked to spend \$10 - \$30 million for an outlet structure that would result in less water than originally projected to the City of Los Angeles. The constituents of the other parties view restoration costs as LADWP's exclusive obligation.

The Core Group remains in disagreement about particular recommendations of the Synthesis Report. LADWP views the Synthesis Report as holding DWP responsible for unimpaired flows or "correcting" flows impaired by upstream Southern California Edison operations. LADWP also maintains that it can comply with stream restoration requirements [from Order 98-05] by using alternate flows proposed by Geosyntec, rather than with the Stream Ecosystem Flows recommended in the Synthesis Report. Implementing the Geosyntec report flows would entail cost savings, as LADWP believes Geosyntec-recommended flows would be able to meet restoration requirements without having to invest in structural modifications. While other Core Group

members believe the mandate of the Core Group is to consider the feasibility of implementing the Synthesis Report (rather than revise its scientific assumptions), they agree that having Stream Scientist review and input on the Geosyntec report would be useful.

LADWP is concerned about the expense that the construction of an outlet structure would present to ratepayers. With the recent addition of a Ratepayer Advocate, whose function is to evaluate proposed rate increases in the context of the Department's current priorities (i.e. infrastructure, water quality, supply), there is increased scrutiny on all LADWP projects. LADWP would consider a structural modification to Grant Lake feasible if funds were available to pay for a facility upgrade, thereby relieving ratepayers of any obligation to bear the cost. While some operation and maintenance costs would be inevitable, LADWP does not foresee that they would place a significant drain on ratepayers. Modifications to Grant Lake would also allow LADWP to use storage to meet the flows and thus eliminate the need for coordination with Southern California Edison (SCE), coordination that is necessary under either an impaired or unimpaired hydrograph scenario.

## **Options for Moving Forward**

Core Working Group members brainstormed potential options to garner financial and political support for an outlet structure at Grant Lake reservoir that could ease or remove the cost burden on Los Angeles ratepayers. All members agree that any potential expense to ratepayers or proposed delay in Mono Lake restoration must be justified. If there is a system of checks and balances in terms of a timeline and commitment from LADWP, the other parties are willing to provide financial and political support towards a solutions package and consider potential trade-offs.

Potential financing options brainstormed include: public monies from federal, regional and state sources; hydropower; private monies, and some form of contribution from LADWP. Political benefits to finishing the 14-year Synthesis Report process include avoiding a contested hearing, deferring or delaying the scheduled 2014 revisit of Mono Lake levels and Order 98-05, and closing out one of LADWP's open-ended obligations in the Eastern Sierra. Other benefits to the Core Group reaching agreement regarding a Grant Lake reservoir modification are assurance of a reliable, predictable water supply for LADWP, and environmental benefits to the streams and Mono Lake. Core Group members mapped out entities to be considered during the crafting of an agreement and developed an action plan to explore further the financing ideas with the greatest potential. (Action Items)

## **Engineering Meeting**

The Core Group finalized logistics for the upcoming Engineering Meeting (April 23), which will explore the costs, construction, and functionality of the three structural options (siphon, weir, pipe) for a Grant Lake outlet. Costs for all three have risen. LADWP provided revised figures: weir (\$10m), siphon (\$17-20 million), and pipe (\$35-40 million). Permitting costs are not anticipated to differ significantly for each option.

## **Upcoming Deadlines**

All parties are interested in completing the facilitated process on schedule and hope to reach agreements in principle by the **June 1** deadline set by the State Water Resources Control Board.

Gina requested that Core Group members continue to involve their respective Boards to increase the likelihood of reaching a preliminary agreement by the deadline. LADWP has until **August 1** to submit comments.

## **Attendance**

### **IN PERSON**

Gene Coufal, Los Angeles Department of Water and Power (LADWP)

Lisa Cutting, Mono Lake Committee (MLC)

Mark Drew, California Trout

Dave Martin, LADWP

Geoff McQuilkin, MLC

Bruck Moges, LADWP

Steve Parmenter, Department of Fish & Game (DFG)

### **BY PHONE**

Ali Karimi, LADWP

Paul Pau, LADWP

Greg Reis, MLC

Tobi Tyler, Lahontan Regional Water Quality Control Board

Peter Vorster, MLC

### **STAFF**

Facilitator Gina Bartlett, Center for Collaborative Policy (CCP)

Note-taker Hannah Murray (CCP)